

JANICE K. BREWER

Governor



HERBERT R. GUENTHER

Director

ARIZONA DEPARTMENT OF WATER RESOURCES

3550 North Central Avenue, Second Floor
PHOENIX, ARIZONA 85012-2105

(602) 771-8500

March 11, 2009

Northwood Pines, LLC
1212 E. Baseline Rd.
Tempe, AZ 85283

Water Report #53-700606.0000
Subdivision Name: Northwood Pines, Phase 1
Owner: Northwood Pines, LLC, an
Arizona limited liability company

Number of lots: 126
County: Navajo
Township 12 North, **Range** 16 East, **Section**
13
Annual Water Demand: 77.52 acre-feet/year

Water provided by: Heber Domestic
Water Improvement District

Water Type: Groundwater

Current water depth: No Information
Estimated 100-year depth: No
Information

Current decline rate: No Information

Basin: Little Colorado River Plateau

Dear Mr. Prescott,

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, water quality, and financial capability. No information has been provided to the Department that indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-701 *et seq.* Therefore, the Department of Water Resources finds the water supply to be inadequate to meet the subdivision's projected needs.

Pursuant to A.R.S. §32-2181(F) a summary of the Department's report for those with an inadequate water supply shall be included in all promotional material and contracts for sale of lots in the subdivisions. We suggest the following synopsis:

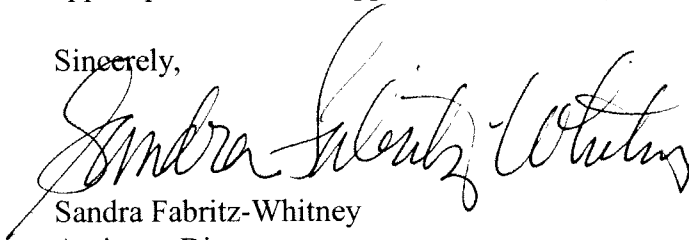
“Northwood Pines, Phase 1 subdivision is being served groundwater by Heber Domestic Water Improvement District. The developer has chosen not to demonstrate a 100-year adequate water supply. The applicant has not demonstrated that the criteria for physical, legal and continuous availability, water quality, and financial capability have been met. Therefore the Department must find the water supply to be inadequate. For additional information please contact Mary Pickett of the Office of Assured and Adequate Water Supply at 602-771-8512.”

The developer, pursuant to A.R.S. §32-2181(F), may suggest a different summary of this report, but it must contain the above elements and/or the Department's findings.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Navajo County Recorder is being officially notified of the developer's compliance with the law.

Pursuant to A.R.S. § 41-1092.03, the Department is notifying you that the Director's determination and decision to issue this Water Report is an appealable agency action. You are entitled to appeal this action. If you wish to appeal this action, you must file a written appeal within thirty (30) days from receipt of this letter. I am providing you with a summary of the appeal process and an appeal form, should you elect to pursue this option.

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Fabritz-Whitney". The signature is fluid and cursive, with the first name "Sandra" being the most prominent.

Sandra Fabritz-Whitney
Assistant Director
Water Management Division

cc: Cindy Ferrin, Arizona Dept. of Real Estate
Navajo County Planning and Zoning
Navajo County Recorder
Andy Romance
Mary Pickett, Office of Assured and Adequate Water Supply